

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA

UNITED STATES OF AMERICA,)	
)	Case No. 1:18-cv-102-LCB-JEP
Plaintiff,)	
)	
v.)	
)	
MARK A. LOVELY,)	
)	
Defendant.)	
<hr style="border: 0.5px solid black;"/>)	

DECLARATION OF REVENUE OFFICER ANITA BOND

I, Anita Bond, being of legal age and pursuant to 28 U.S.C. § 1746, do hereby declare as follows:

1. I am a Revenue Officer with the Internal Revenue Service (“IRS”), with post of duty in Raleigh, North Carolina. As part of my duties as a revenue officer, I have been assigned to collect the unpaid federal tax liabilities of Mark A. Lovely for the 1999, 2000, 2003 through 2006 and 2010 through 2016 tax years and to assist the Department of Justice with the litigation in the above-captioned civil action.

2. Except where indicated to the contrary, I have personal knowledge of the facts set forth in this declaration, and, if called upon to testify to such facts, could do so competently.

3. As a Revenue Officer, my responsibilities include securing delinquent tax returns and collecting the unpaid federal taxes that have been assessed against taxpayers on behalf of the IRS. I am familiar with the manner for computing statutory

accruals on unpaid tax liabilities, the practices and procedures of the IRS with regards to its records, and the notations typically used on IRS records.

4. True and accurate copies of the following documents are attached to this declarations:

- a. Exhibit A: are Form 4340 Certified Transcripts of the income taxes and civil penalties assessed against Mark A. Lovely for the 1999, 2000, 2003, 2004, 2005, 2006, 2010, 2011, 2014, 2013, 2014, 2015 and 2016 tax years. The Certified Transcripts reflect information about a particular taxpayer for a specific tax type and tax period. They contain information on, among other things, (i) tax, interest, and penalty assessments; and (ii) any payments.
- b. Exhibit B: are Account Transcripts of the income taxes and civil penalties assessed against Mark A. Lovely for the 1999, 2000, 2003, 2004, 2005, 2006, 2010, 2011, 2014, 2013, 2014, 2015 and 2016 tax years. The Account Transcripts reflect information about a particular taxpayer for a specific tax type and tax period. They contain information on, among other things, (i) tax, interest, and penalty assessments; (ii) any payments made; (iii) accrued but unassessed amounts of tax and penalties; and (iv) the present balance due and owing.
- c. Exhibit C: is the portion of IRS Forms 4549 that summarizes the IRS audit examination of Mark A. Lovely for the 2000, 2003 through 2006, 2011 and 2012 tax years.
- d. Exhibit D: are copies of the income tax returns Mark A. Lovely filed for the 1999, 2003, 2004, 2005, 2006, 2010, 2011, 2012, 2013, 2015 and 2016 tax years, and a tax return transcript for his 2014 electronically filed return.
- e. Exhibit E: are wage and income transcripts which detail the income third parties reported paying Mark A. Lovely for the 2010, 2011, 2012, 2013, 2015 and 2016 tax years.

These records were made from information compiled from the IRS's databases by someone with knowledge at or near the time the transactions occurred. These records are kept in the regular conducted activity of the IRS.

Civil Penalty Assessments

5. Mark. A. Lovely is a tax defier and has a history of filing fraudulent tax returns.

6. Mark A. Lovely filed federal income tax returns for the 1999, 2000, 2003 through 2006, 210 through 2013, 2015 and 2016 tax years that reported zero income but claimed tax withholdings and standard deductions which could result in an erroneous income tax refund. (Gov. Ex. D (1999) p. 1; (2003) p. 3; (2004) p. 4; (2005) p. 5 & 6; (2006) p. 8; (2010) p. 9; (2011) p. 11; (2012) p. 12; (2013) p. 13; (2015) p. 17; (2016) p. 18).

7. IRS records show that during these tax years, Mark A. Lovely was a W-2 wage earner and his employer and other third parties reported paying him income as follows:

Tax Year	Payor	Income	Citation
1999		\$40,522	Gov. Ex. B p. 1
2000	Trinidad International Maintenance Corp. 2 stock sales	\$46,041 (wages) \$3,678 (capital gains)	Gov. Ex. C pp. 1 and 3
2003	Trinidad International Maintenance Corp. Unemployment Compensation	\$33,637 (wages) \$3,264	Gov. Ex. C pp. 1 and 3
2004	Trinidad International Maintenance Corp. Interest Income	\$40,654 (wages) \$ 21	Gov. Ex. C pp. 2 and 3
2005	Trinidad International Maintenance Corp. Tradewinds Airline Inc.	\$10,215 (wages) \$19,285 (wages)	Gov. Ex. C. pp. 2 and 3
2006	Tradewinds Airline Inc. Pace Airlines Inc. USA Carriers Inc. Prudential Retirement	\$31,997 (wages) \$ 350 (wages) \$9,053 (wages) \$10,135 (IRA dist.)	Gov. Ex. C pp. 2 and 3
2010	Mayberry HR Outsourcing Inc. Triad International Maint. Corporation	\$ 512 \$ 49,246	Gov. Ex. E pp. 1 and 2
2011	Employment Security commission of NC Triad International Maint. Corporation	\$ 318 (1099-G) \$48,186 (wages)	Gov. Ex. B p. 4 Gov. Ex. E. pp. 3 and 4

Tax Year	Payor	Income	Citation
2012	Sky Lease I, Inc. Triad International Maint. Corporation	\$ 11,153 (wages) \$18,070 (wages)	Gov. Ex. B p. 5 Gov. Ex. E. pp. 5 and 6
2013	Sky Lease I, Inc.	\$50,884	Gov. Ex. E p. 7
2015	Sky Lease I, Inc. Swift Air, LLC.	\$36,272 \$14,686	Gov. Ex. E. pp. 11 and 12
2016	Swift Air, LLC. Unemployment Compensation	\$22,411 (wages) \$ 9,120	Gov. Ex. E. pp. 13 and 14

8. The IRS determined that the tax returns Mark A. Lovely filed were frivolous.

9. A delegate of the Secretary of the Treasury assessed civil penalties against Mark A. Lovely under 26 U.S.C. § 6702(a) for frivolous tax submissions as follows:

Penalty Type	Tax Period Ending	Date of Assessment	Amount of Assessment	Citation
Frivolous Tax Submissions 26 U.S.C. § 6702A	12/31/1999	05/23/2011 12/12/2011	\$5,000 \$5,000	Gov. Ex. A p. 59
Frivolous Tax Submissions 26 U.S.C. § 6702A	12/31/2000	06/20/2011	\$5,000	Gov. Ex. A p. 64
Frivolous Tax Submissions 26 U.S.C. § 6702A	12/31/2003	06/20/2011	\$5,000	Gov. Ex. A p. 69
Frivolous Tax Submissions 26 U.S.C. § 6702A	12/31/2004	06/20/2011	\$5,000	Gov. Ex. A p. 74
Frivolous Tax Submissions 26 U.S.C. § 6702A	12/31/2005	07/22/2013	\$10,000	Gov. Ex. A p. 79
Frivolous Tax Submissions 26 U.S.C. § 6702A	12/31/2006	06/20/2011	\$5,000	Gov. Ex. A p. 83
Frivolous Tax Submissions 26 U.S.C. § 6702A	12/31/2010	03/24/2014	\$5,000	Gov. Ex. A p. 88
Frivolous Tax Submissions 26 U.S.C. § 6702A	12/31/2011	08/11/2014	\$5,000	Gov. Ex. A p. 94
Frivolous Tax Submissions 26 U.S.C. § 6702A	12/31/2012	10/20/2014	\$5,000	Gov. Ex. A p. 99
Frivolous Tax Submissions 26 U.S.C. § 6702A	12/31/2013	07/07/2014	\$5,000	Gov. Ex. A p. 104
Frivolous Tax Submissions 26 U.S.C. § 6702A	12/31/2015	01/02/2017	\$5,000	Gov. Ex. A p. 109
Frivolous Tax Submissions 26 U.S.C. § 6702A	12/31/2016	07/24/2017	\$5,000	Gov. Ex. A p. 112

10. Statutory interest has accrued on the civil penalties assessed against Mark A. Lovely under 26 U.S.C. § 6601(a) and (b) from the date his tax liabilities became due, at a rate set forth in 26 U.S.C. § 6621(a). (Gov. Ex. B: (1999) p. 42; (2000) p. 44; (2003) p. 46; (2004) p. 48; (2005) p. 50; (2006) p. 52; (2010) p. 54; (2011) p. 58; (2012) p. 61; (2013) p. 64; (2015) p. 67; (2016) p. 69).

11. As of September 17, 2018, Mark A. Lovely is indebted to the United States with respect to the civil penalty and interest for the 1999, 2000, 2003 through 2006, 2010 through 2013, 2015 and 2016 tax years, as set forth below:

Penalty Type	Tax Period Ending	Date of Assessment	Outstanding Balance (as of 9/17/2018)	Citation
Frivolous Tax Submissions 26 U.S.C. § 6702A	12/31/1999	05/23/2011 12/12/2011	\$12,750	Gov. Ex. B p. 42
Frivolous Tax Submissions 26 U.S.C. § 6702A	12/31/2000	06/20/2011	\$6,416	Gov. Ex. B p. 44
Frivolous Tax Submissions 26 U.S.C. § 6702A	12/31/2003	06/20/2011	\$6,416	Gov. Ex. B p. 46
Frivolous Tax Submissions 26 U.S.C. § 6702A	12/31/2004	06/20/2011	\$6,416	Gov. Ex. B p. 48
Frivolous Tax Submissions 26 U.S.C. § 6702A	12/31/2005	07/22/2013	\$12,027	Gov. Ex. B p. 50
Frivolous Tax Submissions 26 U.S.C. § 6702A	12/31/2006	06/20/2011	\$6,416	Gov. Ex. B p. 52
Frivolous Tax Submissions 26 U.S.C. § 6702A	12/31/2010	03/24/2014	\$5,890	Gov. Ex. B p. 54
Frivolous Tax Submissions 26 U.S.C. § 6702A	12/31/2011	08/11/2014	\$5,823	Gov. Ex. B p. 58
Frivolous Tax Submissions 26 U.S.C. § 6702A	12/31/2012	10/20/2014	\$5,790	Gov. Ex. B p. 61
Frivolous Tax Submissions 26 U.S.C. § 6702A	12/31/2013	07/07/2014	\$5,839	Gov. Ex. B p. 64
Frivolous Tax Submissions 26 U.S.C. § 6702A	12/31/2015	01/02/2017	\$5,378	Gov. Ex. B p. 67
Frivolous Tax Submissions 26 U.S.C. § 6702A	12/31/2016	07/24/2017	\$5,266	Gov. Ex. B p. 69
Total			\$84,427	

Income Tax Assessments

12. The Account Transcripts show that a delegate of the Secretary of the Treasury made federal income tax assessments against Mark A. Lovely for the 2000, 2003 through 2006, 2010 through 2012 and 2014 tax years as follows:

Tax Type	Tax Period Ending	Date of Assessment	Amount of Assessment	Citation
Income	12/31/2000	03/03/2008	\$8,967	Gov. Ex. A. p. 2
Income	12/31/2003	02/25/2008	\$4,091	Gov. Ex. A. p. 11
Income	12/31/2004	03/03/2008	\$4,919	Gov. Ex. A. p. 17
Income	12/31/2005	02/25/2008	\$2,834	Gov. Ex. A. p. 23
Income	12/31/2006	02/25/2008	\$8,340	Gov. Ex. A. p. 28
Income	12/31/2010	03/10/2014	\$3,807	Gov. Ex. A. p. 24
Income	12/31/2011	03/09/2015	\$5,881	Gov. Ex. A. p. 41
Income	12/31/2012	09/28/2015	\$1,693	Gov. Ex. A. p. 47
Income	12/31/2014	06/01/2015	\$7,963	Gov. Ex. A. p. 54

13. The federal income tax assessments made against Mark A. Lovely are based on the income information reported to the IRS by third parties, and the 2014 income tax return he filed.

14. Statutory interest has accrued on the federal income tax liabilities under 26 U.S.C. § 6601(a) and (b) from the date his tax liabilities became due, at a rate set forth in 26 U.S.C. § 6621(a). (Gov. Ex. B (2000) p. 6; (2003) p. 11; (2004) p. 15; (2005) p. 19; (2006) p. 22; (2010) p. 25; (2011) p. 30; (2012) p. 34; and (2014) p. 38).

15. Statutory penalties have accrued against Mark A. Lovely for the 2000, 2003 through 2006 tax years under 26 U.S.C. § 6654 for his failure to pre-pay his taxes. (Gov. Ex. B (2000) p. 7; (2003) p. 12; (2004) p. 16; (2005) p. 20; (2006) p. 23.

16. Statutory penalties have also accrued against Mark A. Lovely for the 2000, 2003 through 2006, 2011, 2012 and 2014 tax years under 26 U.S.C. § 6651 for failing

to timely file returns and pay the taxes due. (Gov. Ex. B (2000) p. 7; (2003) pp. 12 - 13; (2004) pp. 16-17; (2005) pp. 20-21; (2006) pp. 23-24; (2011) p. 31; (2012) p. 35; and (2014) p. 39).

17. Statutory penalties were also assessed against Mark A. Lovely for the 2011 and 2012 tax years for understating his income. (Gov. Ex. B (2011) p. 31; and (2012) p. 35).

18. As of September 17, 2018, Mark A. Lovely is indebted to the United States with respect to the income tax, penalty and interest for the 2000, 2003 through 2006, 2010 through 2012 and 2014 tax years, as set forth below:


Tax year	Date of Assessment	Tax Assessment	Outstanding balance (as of 9/17/2018)	Citation
2000	03/03/2008	\$8,967	\$16,020	Gov. Ex. B. p. 6
2003	02/25/2008	\$4,091	\$11,347	Gov. Ex. B. p. 11
2004	03/03/2008	\$4,919	\$13,031	Gov. Ex. B. p. 15
2005	02/25/2008	\$2,834	\$7,115	Gov. Ex. B. p. 19
2006	02/25/2008	\$8,340	\$14,731	Gov. Ex. B. p. 22
2010	03/10/2014	\$3,807	\$5,880	Gov. Ex. B. p. 25
2011	03/09/2015	\$5,881	\$14,490	Gov. Ex. B. p. 30
2012	09/28/2015	\$1,693	\$6,773	Gov. Ex. B. p. 34
2014	12/31/2014	\$7,963	\$4,930	Gov. Ex. B. p. 38
Total			\$94,317	

19. The IRS sent notice and demand for payment of the assessments described in paragraphs 9 and 12, above, to Mark A. Lovely, as shown by the entries on Government Exhibit A, called “Statutory Notice of Balance Due. (civil penalty: Gov. Ex. A (1999) pp. 60-61; (2000) pp. 65-66; (2003) pp. 70-71; (2004) pp. 75-76; (2005) p. 80; (2006) pp. 84-85; (2010) p. 91; (2011) p. 96; (2012) p. 101;

(2013) p. 106; (2015) p. 109; and (2016) p. 112) (income tax: Gov. Ex. A
(2000) pp. 7-8; (2003) pp. 13-14; (2004) pp. 19-20; (2005) p. 25; (2006) pp. 30-31;
(2010) p. 37; (2011) p. 44; (2012) pp. 50-51; (2014) p. 56.
(2013) p. 106; (2015) p. 109).

20. Despite notice and demand for payment, Mark A. Lovely has failed or
refused to pay his outstanding federal income tax liabilities in full. (see paragraph 18).

Executed on DECEMBER 7TH 2018 in RALEIGH, North Carolina.


Anita Bond, Revenue Officer
Internal Revenue Service